

**STATE OF ALASKA
DEPARTMENT OF REVENUE
TREASURY DIVISION
RETIREE HEALTH INSURANCE FUND**

SCHEDULES OF INVESTED ASSETS

December 31, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|---|-----------------------|-----------------------|
| Major Medical Investments (at fair value) | | |
| Cash and cash equivalents | | |
| Short-term Fixed Income Pool | \$ 13,478,810 | \$ 59,222,991 |
| Marketable debt securities | | |
| Intermediate-term Fixed Income Pool | - | - |
| Broad Market Fixed Income Pool | - | - |
| SOA International Equity Pool | - | - |
| Non-retirement Domestic Equity Pool | - | - |
| Income receivable | <u>439</u> | <u>217,273</u> |
| Total Major Medical assets | <u>13,479,249</u> | <u>59,440,264</u> |
| | | |
| Long Term Care Investments (At Fair Value) | | |
| Cash and Cash Equivalents | | |
| Short-term Fixed Income Pool | 1,380,689 | 3,059,683 |
| Marketable Debt and Equity Securities | | |
| Broad Market Fixed Income Pool | - | 54,325,708 |
| Conservative Broad Market Fixed Income Pool | 48,795,023 | - |
| Non-retirement Domestic Equity Pool | 60,868,110 | 78,667,019 |
| EAFE International Equity Pool | 9,695,431 | 6,848,734 |
| SOA International Equity Pool | 18,154,171 | 28,808,320 |
| Income Receivable | <u>(286)</u> | <u>7,973</u> |
| Total Long Term Care Assets | <u>138,893,138</u> | <u>171,717,437</u> |
| Total Invested Assets | <u>\$ 152,372,387</u> | <u>\$ 231,157,701</u> |

**STATE OF ALASKA
DEPARTMENT OF REVENUE
TREASURY DIVISION
RETIREE HEALTH INSURANCE FUND**

**SCHEDULE OF INVESTMENT INCOME
AND CHANGES IN INVESTED ASSETS**

For the Period Ended December 31, 2008

| | <u>CURRENT MONTH</u> | <u>YEAR TO DATE</u> |
|---|--------------------------|-------------------------|
| Investment Income | | |
| Earned by Major Medical Assets | | |
| Cash and Cash Equivalents | | |
| Short-term Fixed Income Pool | \$ 439 | \$ (39,370) |
| Marketable Debt Securities | | |
| Intermediate-term Fixed Income Pool | - | - |
| Broad Market Fixed Income Pool | - | - |
| SOA International Equity Pool | - | - |
| Commission Recapture - International | - | - |
| Non-retirement Domestic Equity Pool | - | - |
| Total Income (Loss) Accruing to Major Medical Assets | 439 | (39,370) |
| Earned by Long Term Care Assets | | |
| Cash and Cash Equivalents | | |
| Short-term Fixed Income Pool | (286) | (16,705) |
| Marketable Debt and Equity Securities | | |
| Broad Market Fixed Income Pool | - | 303,130 |
| Conservative Broad Market FI Pool | 1,503,487 | 642,489 |
| EAFE International Equity Pool | 552,686 | (3,659,407) |
| SOA International Equity Pool | 1,137,400 | (7,115,953) |
| Commission Recapture - International | - | - |
| Non-retirement Domestic Equity Pool | 1,167,043 | (24,347,689) |
| Total Income (Loss) Accruing to Long Term Care Assets | 4,360,330 | (34,194,135) |
| Total Investment Income | 4,360,769 | (34,233,505) |
| Total Invested Assets, Beginning of Period | 143,373,823 | 174,126,559 |
| Net Contributions (Withdrawals) | 4,637,795 | 12,479,333 |
| Total Invested Assets, End of Period | \$ 152,372,387 | \$ 152,372,387 |

STATE OF ALASKA
DEPARTMENT OF REVENUE - TREASURY DIVISION
INVESTED ASSETS UNDER THE INVESTMENT AUTHORITY OF THE COMMISSIONER OF REVENUE

RETIREE HEALTH INSURANCE FUND
Asset Allocation Policy with Actual Investment Holdings as of 12/31/2008
(Stated in Thousands)

Asset Allocation Policy Effective July 1, 2008.

| Fund established 7/1/98 | Asset Allocation | | Market Values | Current Allocation | Current Variance | |
|--|------------------|----------------|---------------|----------------------|---------------------------|-------------------------|
| | Policy | Range | | | | |
| AY 03 Major Medical | | | | | | |
| Cash and cash equivalents | | | | | | |
| Short-term Fixed Income Pool | 100.00% | 100.00% | 13,479 | 100.00% | N/A | |
| Total cash and cash equivalents | | | 13,479 | 100.00% | N/A | |
| Total investments AY 03 Major Medical | 100.00% | | 13,479 | 100.00% | 0.00% | |
| Income Receivable | | | 0 | | | |
| Total Invested Assets At Fair Value - Maj Med | | | 13,479 | | | |
| AY 11 Long Term Care | | | | | | |
| Cash and cash equivalents | Notes | Policy | Range | Market Values | Current Allocation | Current Variance |
| Short-term Fixed Income Pool | | 1.00% | 0%-2% | 1,381 | 0.99% | 0.01% |
| Total cash and cash equivalents | | 1.00% | | 1,381 | 0.99% | 0.01% |
| Marketable debt securities | | | | | | |
| Conservative Aggregate Pool | | 28.00% | 18%-38% | 48,795 | 35.13% | -7.13% |
| Total Marketable debt securities | | 28.00% | | 48,795 | 35.13% | -7.13% |
| Equities | | | | | | |
| SOA Int'l Equity Pool | | | | 18,154 | | |
| EAFE Int'l Equity Pool | | | | 9,695 | | |
| Total Int'l Equity | | 21.00% | 17%-25% | 27,849 | 20.05% | 0.95% |
| Non-retirement Domestic Equity Pool | | 50.00% | 40%-50% | 60,868 | 43.82% | 6.18% |
| Total investments AY 11 Long Term Care | | 100.00% | | 138,893 | 79.95% | 0.00% |
| Income Receivable | | | | (0) | | |
| Total Invested Assets At Fair Value - LTC | | | | 138,893 | | |
| Total Invested Assets at Fair Value | | | | 152,372 | | |